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## PURDUE UNIVERSITY MULTI-SPORT AGREEMENT

THIS IS AN AGREEMENT made and entered into by and between Purdue University, an Indiana non-profit corporation having its principal administrative office in W. Lafayette, Indiana 47907 (hereinafter "UNIVERSITY") on behalf of its Department of Intercollegiate Athletics at the West Lafayette Campus, and NIKE USA, Inc., an Oregon corporation having its principal offices at One Bowerman Drive, Beaverton, Oregon 97005-6453 (hereinafter "NIKE").

### WITNESSETH

WHEREAS, UNIVERSITY fields and maintains nationally recognized athletic teams in numerous sports (and retains the coaches and staff in connection therewith) and owns all right, title and interest in and to the names, nicknames, mascots, trademarks, service marks, logographics and/or symbols, and any other recognized reference to UNIVERSITY or its "Intercollegiate Athletic Programs" (as defined below); and

WHEREAS, NIKE is a sports and fitness company engaged in the manufacture, distribution and sale of athletic and athleisure footwear, apparel, accessories and equipment, and desires to support UNIVERSITY and its Intercollegiate Athletic Programs as described below;

NOW, THEREFORE, in consideration of the mutual promises, terms and conditions set forth herein, it is agreed as follows:

#### 1. DEFINITIONS.

As used in this Agreement, the terms set forth below shall be defined as follows:

- (a) "NIKE" shall mean NIKE USA, Inc., its licensees, distributors, subsidiaries, affiliates and any successor companies.
- (b) "UNIVERSITY Marks" shall mean the names, nicknames, mascots, trademarks, service marks, logographics and/or symbols, and any other recognized reference to UNIVERSITY or its Intercollegiate Athletic Programs.
- (c) "Intercollegiate Athletic Program(s)" shall mean any and all of the organized team and individual sports sponsored by UNIVERSITY on a varsity level.
- (d) "Flagship Program(s)" shall mean any of the following Intercollegiate Athletic Programs: Football, Men's Basketball and Women's Basketball.
- (e) "Team" shall mean that group of athletes attending the UNIVERSITY's West Lafayette campus during the term of this Agreement and comprising the roster of each Intercollegiate Athletic Program.
- (f) "Game" shall mean game, match, meet, test or such other competition reference as is appropriate to each individual sport.
- (g) "Coach" shall mean an individual employed during the term of this Agreement to act as a head coach of an Intercollegiate Athletic Program.
- (h) "Coach Property" shall mean a Coach's name, nickname, initials, autograph, facsimile signature, voice, video or film portrayals, photographs, likeness and image or facsimile image, and any other means of endorsement used by such Coach.
- (i) "Staff" shall mean, collectively, all assistant coaches and strength coaches, equipment managers, trainers and any on-field/courtside staff (e.g., ballpersons, basketball stat crews, etc.) employed by UNIVERSITY during the term of this Agreement to provide services to Intercollegiate Athletic Programs.

- (j) "Contract Year" shall mean each consecutive twelve (12) month period from July 1 through June 30 during the Term.
- (k) "NCAA" shall mean the National Collegiate Athletic Association.
- (l) "Conference" shall mean the intercollegiate athletic conference of which UNIVERSITY is a member.
- (m) "Products" shall mean:
  - (1) all athletic and athletically inspired or derived footwear that members of any Team, Coaches and/or Staff wear or may be reasonably expected to wear while participating in their respective Intercollegiate Athletic Program (collectively, "Footwear Products");
  - (2) all apparel articles of an athletic or athleisure nature including but not limited to compression/support apparel, mocknecks, dri-fit shirts and t-shirts ("Base Layer Apparel"), competition apparel, tank-tops, sweatsuits, separates and other body coverings that members of any Team, Coaches and/or Staff wear or use or may be reasonably expected to wear or use while participating in their respective Intercollegiate Athletic Program (collectively, "Authentic Competition Apparel");
  - (3) all accessories of an athletic or athleisure nature, including but not limited to headwear, headbands, wristbands, bags, socks, towels, gloves, that members of any Team, Coaches and/or Staff wear or use or may be reasonably expected to wear or use while participating in their respective Intercollegiate Athletic Program;
  - (4) sports equipment including, but not limited to, inflatable balls, protective eyewear, eyewear with performance attributes and sunglasses, sports timing devices (including wristwatches, race timers, stopwatches, etc. and devices used for competition or training that are also used in combination with timing devices such as heart-rate monitors or calorimeters), and such other equipment as NIKE may add to its Product lines at any time during the term of this Agreement and subject to the provisions of Paragraph 16 below; and
  - (5) sports-themed instructional and entertainment home video products, and electronic, computer, arcade, video and virtual reality games and devices.
- (n) "NIKE Products" shall mean all Products in connection with which, or upon which, the NIKE name, the Swoosh Design, the NIKE AIR Design, the Basketball Player Silhouette ("Jumpman") Design or any other trademarks or brands (e.g., ACG, Sports Specialties, Brand Jordan, SPL.28) now or hereafter owned and/or controlled by NIKE appear (collectively, "NIKE Marks"), singly or in any combination.
- (o) "Net Sales" shall mean the gross wholesale revenue received by NIKE from the sale of "Licensed Products" (as defined below), less cash, trade, sales and other program discounts, adjusted for legitimate merchandise returns credited to NIKE's customers; provided, however, that Net Sales shall not include sales of any such Licensed Products sold under license by an independent licensee of NIKE. Net Sales shall be net sales as are computed by NIKE's accounting system, guidance for which is established by generally accepted accounting principles.

## 2. TERM.

This Agreement shall remain in full force and effect for a period of four (4) Contract Years, from July 1, 2006 through June 30, 2010, which period shall be extendible by NIKE in its sole discretion for a four-year period upon written notice to UNIVERSITY on or before

October 1, 2009 (the "Option"), unless sooner terminated in accordance with the terms and conditions hereof (the "Term"). This Agreement shall be interpreted in its entirety and not as a series of one-year agreements.

### 3. GRANT OF RIGHTS.

UNIVERSITY hereby grants to NIKE, and NIKE hereby accepts the designations as the "exclusive sponsor and supplier of (Product) of (each Flagship Program)", "exclusive sponsor and supplier of Footwear Products and Base Layer Apparel of (each Intercollegiate Athletic Program)", such similar designations as the parties may agree upon (collectively, the "Designations"), and the right to utilize (subject to the approval provisions of Paragraph 13 below) the UNIVERSITY Marks and/or Designations worldwide, in any media (now known or hereafter created) including, but not limited to, the worldwide web, CD-ROM and other interactive and multi-media technologies, in connection with the manufacture, advertising, marketing, promotion and sale of NIKE Products and in the production and distribution of NIKE sports-themed games and programming. Such rights shall specifically include, but shall not be limited to, the following:

- (a) The exclusive right to supply Products for each Flagship Program, to supply Footwear Products and Base Layer Apparel for each Intercollegiate Athletic Program, and to use the applicable Designations.
- (b) The right to manufacture and sell (subject to Paragraph 4 below) NIKE Product bearing or incorporating UNIVERSITY Marks and to conduct promotions with and through NIKE retail accounts.
- (c) The right to use game photographs ("Game Photos"), videotape and/or film footage ("Game Footage") of any and all Intercollegiate Athletic Programs subject to applicable NCAA rules and regulations with respect to the depiction of eligible athletes. In connection therewith, at NIKE's request, UNIVERSITY shall permit NIKE to utilize, consistent with this Paragraph 3, Game Photos and Game Footage (owned by UNIVERSITY), without a use fee, other than reasonable search and edit charges.

### 4. RETAIL LICENSING RIGHTS.

- (a) UNIVERSITY hereby grants to NIKE, and NIKE hereby accepts, the (1) exclusive worldwide right and license (but not obligation) to manufacture and sell at retail Authentic Competition Apparel that features the UNIVERSITY Marks; and (2) non-exclusive worldwide right and license (but not obligation) to manufacture and sell at retail NIKE Products and other merchandise, other than Authentic Competition Apparel, bearing or incorporating UNIVERSITY Marks (e.g., replica apparel) (products described in (1) and (2) collectively, "Licensed Products"). All Licensed Products shall be manufactured, approved and sold, and royalties paid and reported in connection therewith, consistent with the applicable terms and conditions of the current retail license agreement between NIKE and CLC (or CEI, as appropriate) except as modified by the terms of this Paragraph 4, other terms of this Agreement (e.g., termination rights, warranties, etc.), and any new retail license agreement made between UNIVERSITY and NIKE pursuant to subparagraph (c) below. Within sixty (60) days after the end of each calendar quarter during the Term, NIKE shall provide CLC (or other licensing agent) with a complete and accurate statement (on NIKE's standard royalty reporting form) of sales, and the calculation of Net Sales, for the preceding reporting period and, simultaneously with the submission of such quarterly statements, shall pay all royalties due UNIVERSITY on such sales. Licensed Product shall not be used for any third party giveaway or other premium purpose without UNIVERSITY's prior approval. UNIVERSITY agrees that royalties shall be waived for

any Licensed Products provided free of charge by NIKE to UNIVERSITY for use by any Coach, Staff and/or Team members.

- (b) NIKE shall keep and maintain accurate books and records relating to its royalty payments on Licensed Product sales. UNIVERSITY and its duly authorized representative shall have the right, upon thirty (30) days' prior written notice, at its cost, to examine and audit such books and records during NIKE's business hours and upon no less than ten (10) business days' prior notice (and not more than once each Contract Year). Should an audit pursuant to this Paragraph establish a deficiency of more than five percent (5%) between the amount due to UNIVERSITY and the amount actually paid by NIKE, within forty-five (45) days of NIKE's receipt of written notice of any such deficiency, NIKE shall pay the amount of the deficiency together with the reasonable cost of such audit. All books and records required to be maintained by NIKE hereunder shall be kept for at least two (2) years after the end of the Contract Year to which they relate, and any royalties paid with respect thereto shall be deemed incontestable after such two (2) year retention period.

#### 5. NIKE'S PRODUCT SUPPLY OBLIGATIONS.

- (a) Each Contract Year, unless otherwise specified, NIKE shall supply to UNIVERSITY, free of charge, a mutually determined product supply package of NIKE Product (which may be in-line product [i.e., NIKE Product that does not bear any UNIVERSITY Marks] and may or may not bear any NIKE Marks). The retail value of supplied product for each Contract Year shall be as set forth in the table below (each, an annual "Supplied Product Limit").

|                                |             |
|--------------------------------|-------------|
| 1st Contract Year (2006-2007)  | \$ 900,000  |
| 2nd Contract Year (2007-2008)  | \$ 900,000  |
| 3rd Contract Year (2008-2009)  | \$ 900,000  |
| 4th Contract Year (2009-2010)  | \$1,100,000 |
| 5th Contract Year (2010-2011)* | \$1,100,000 |
| 6th Contract Year (2011-2012)* | \$1,100,000 |
| 7th Contract Year (2012-2013)* | \$1,100,000 |
| 8th Contract Year (2013-2014)* | \$1,100,000 |

\* In the event NIKE exercises its Option pursuant to Paragraph 2 above.

The exact styles, sizes and delivery dates and, where appropriate, quantities of such NIKE Products shall be mutually determined by NIKE and UNIVERSITY (and subject to subparagraph (1) below) for each Contract Year. All Product to be supplied by NIKE hereunder shall be delivered F.O.B. to UNIVERSITY.

UNIVERSITY acknowledges that:

- (1) Annual product allotments shall be delivered to UNIVERSITY generally one (1) month prior to the start of the regular season for each Intercollegiate Athletic Program and that annual allotments must typically be ordered 9-12 months in advance of each season to ensure timely delivery.
- (2) Only properly submitted orders from UNIVERSITY's Athletic Director or his authorized representative shall be filled by NIKE.

- (3) No carry-over of unordered annual allotments of merchandise from one Contract Year to another shall be allowed.
  - (4) From time-to-time, NIKE may elect to obtain certain apparel or accessory Products to be supplied hereunder from third parties, or to provide UNIVERSITY with a mutually agreeable allowance with which to purchase certain of such Products from third parties that have been approved by NIKE, which approval shall not be unreasonably withheld. In either case, such Products shall, at NIKE's election, (x) bear the NIKE Swoosh Design and/or other NIKE Marks (as designated by NIKE), consistent with NCAA rules and regulations, or (y) not bear any NIKE Marks.
- (b) If in any Contract Year UNIVERSITY requires: (1) additional Products for use by any Flagship Program or related Coach-operated camp, clinic, tournament or event; or (2) additional Footwear Products or Base Layer Apparel for use by any other Intercollegiate Athletic Program or related Coach-operated camp, clinic, tournament or event, then UNIVERSITY shall purchase any and all such Products directly from NIKE or an authorized NIKE dealer (as designated by NIKE), and in no event shall UNIVERSITY purchase such Products from any third-party. UNIVERSITY's purchase of such Products shall be at NIKE's published wholesale price, except as provided in subparagraph (c) below.
  - (c) After UNIVERSITY orders 300 pairs of NIKE Footwear Products for the Football Program ("Football Footwear"), UNIVERSITY may order additional pairs of Football Footwear in the same Contract Year on a "2 for 1" basis. For purposes of this Paragraph, "2 for 1" shall mean for every two (2) pairs of Football Footwear purchased by UNIVERSITY from the NIKE designated dealer, UNIVERSITY shall receive one (1) pair of Football Footwear free. The parties acknowledge and agree that the price for all Football Footwear shall be as set by the NIKE designated dealer.
  - (d) NIKE shall not be liable to UNIVERSITY, any Team member, Coach, or Staff for any injury or damage suffered from wearing or using NIKE Products, except such injury or damage resulting from NIKE's adjudicated negligence. *UNIVERSITY specifically waives, only as against NIKE, all express warranties, and implied warranties of merchantability or fitness for a particular purpose.*
  - (e) UNIVERSITY acknowledges that the placement of the NIKE logo, as it is currently permitted by the NCAA and now placed by NIKE (in terms of size, location, placement, color contrast/prominence and/or number of placements), on Products is a bargained for material benefit contemplated by NIKE under this sponsorship Agreement and that such continued degree of manufacturer logo prominence on competition product is of the essence of this Agreement. Accordingly, during the Term, UNIVERSITY shall take no action that shall have the effect of relocating (except for a more favorable placement should a subsequent relaxation in rules so permit), reducing, or restricting NIKE's logo placement rights on product as such logo now appears and is permitted by current relevant NCAA rules or regulations including, but not limited to, NCAA Rule 12.5.4. Notwithstanding anything contained in this subparagraph, UNIVERSITY further acknowledges that nothing herein shall be construed as a restriction of any right of NIKE to discuss with UNIVERSITY more favorable presentation or placement of its logo (e.g., size, color contrast, number of placements, location of placement, etc.) as may be permitted from time to time under NCAA, Conference and/or other applicable rules.

## 6. USE OF NIKE PRODUCTS.

- (a) Throughout the Term, UNIVERSITY shall make available on an exclusive basis NIKE Products to each Flagship Program, and NIKE Footwear Products and Base Layer Apparel to each Intercollegiate Athletic Program, to be worn and/or used by Team members, Coaches and Staff during practices, games, exhibitions, clinics, sports camps, and other official or UNIVERSITY sanctioned activities (including but not limited to photo sessions and interviews) during which Team members, Coaches and Staff wear and/or use such Products. (NIKE acknowledges that any Coach's wearing of non-athletic footwear and apparel in connection with his or her official coaching duties, as appropriate, shall not constitute a breach of this Paragraph.)
  - (1) If after having used NIKE footwear, a player shall at any time suffer any foot pain or discomfort attributable to such footwear which materially affects such player's performance, and is verified in writing by the Team's physician, UNIVERSITY shall promptly notify NIKE of such occurrence. Upon receipt of such notice, NIKE shall diligently seek to address such player's foot pain or discomfort and UNIVERSITY shall fully cooperate with NIKE in its efforts to satisfy such player's special footwear requirements, including using UNIVERSITY's best efforts to encourage such player to fully cooperate with NIKE's remedial efforts and by facilitating such cooperation by the player. To the extent permissible under applicable NCAA and UNIVERSITY rules and regulations, such facilitation by UNIVERSITY may include, but shall not be limited to, requesting that the player (i) make himself or herself available to be examined by a podiatrist or other qualified physician (located within the UNIVERSITY metropolitan area) to assist NIKE in determining and verifying the nature and extent of the player's foot pain or discomfort connected with the use of such NIKE footwear, (ii) make himself or herself available to NIKE for design consultations and/or tests conducted by NIKE's footwear research and design personnel to determine any special requirements of player's foot characteristics, (iii) wear-test customized footwear developed by NIKE to meet such special requirements, and (iv) provide NIKE with product feedback, as requested by NIKE, concerning player's findings with respect to such wear-testing (collectively, "Remedial Efforts"). During the period NIKE is engaged in Remedial Efforts, NIKE shall directly furnish player with footwear of his or her choice (produced by any manufacturer whatsoever) but with all visible manufacturer's identification removed or otherwise covered so as to completely obscure such manufacturer's identification.
  - (2) If notwithstanding Remedial Efforts, a player is still unable to wear NIKE footwear, then such player shall be permitted to wear non-NIKE footwear provided all visible manufacturer's identification is removed or otherwise covered so as to completely obscure such manufacturer's identification.
- (b) UNIVERSITY shall ensure that no Team member, Coach or Staff member shall:
  - (1) Alter or permit the alteration of any NIKE Product worn or used by them to resemble a non-NIKE Product; or
  - (2) Wear any non-NIKE Products which have been altered to resemble NIKE Products.
- (c) UNIVERSITY shall ensure that (1) during all Flagship Program activities no Flagship Team member, Coach or Staff member shall wear and/or use any Products manufactured by companies other than NIKE or displaying the brand or logo of a

third-party manufacturer or seller of Products; (2) during all Intercollegiate Athletic Program activities no Team member, Coach or Staff member shall wear and/or use any (x) non-NIKE Footwear Products, (y) non-NIKE Base Layer Apparel, or (z) any other Products of a NIKE footwear competitor (e.g., Adidas, Reebok, Under Armour), except as permitted in subparagraph (f) below.

- (d) UNIVERSITY acknowledges that "spatting" or otherwise taping the NIKE athletic shoes worn by members of the Teams during practices, games, exhibitions, clinics, sports camps and other occasions during which Team members wear athletic shoes, is inconsistent with the purpose of this Agreement and the benefits to be derived from it by NIKE and is a material breach of this Agreement.
- (e) UNIVERSITY shall not permit (i) the trade name, trademark, name, logo or any other identification of any person, company or business entity other than NIKE, or UNIVERSITY if approved by NIKE, to appear on NIKE Products worn or used by Coaches, Staff or Team members, or (ii) any third party to screen-print upon, or otherwise embellish, any NIKE Product worn or used by Coaches, Staff or Team members.
- (f) NIKE acknowledges that UNIVERSITY's current golf Coach, Devon Brouse, has a footwear endorsement/sponsorship contract with Titleist/Footjoy, which requires Coach Brouse and the golf Teams to wear Titleist/Footjoy footwear. The parties agree that Coach Brouse's compliance with the Brouse-Titleist/Footjoy contract shall not constitute a breach of this Agreement.

#### 7. DESIGN & MARKETING CONSULTATION.

- (a) UNIVERSITY acknowledges NIKE's industry leadership in the design of performance product and its expertise and innovation in the area of sports marketing and that such leadership, expertise and innovation is a material inducement to UNIVERSITY's entrance into this Agreement. NIKE shall continue its efforts to produce high quality Products through consultation with coaches and staff of successful athletic programs such as UNIVERSITY and whose full cooperation is important to NIKE, as such individuals have knowledge that can be useful in the research, development and production of NIKE Products, and is of the essence of this Agreement. Upon request by NIKE, UNIVERSITY shall require designated Coaches and Staff to provide NIKE with written or oral reports concerning the NIKE Products supplied to each through NIKE's product development and testing program. Such reports shall address the fit, wear characteristics, materials and construction techniques of such Products.
- (b) UNIVERSITY acknowledges that a material inducement to NIKE's entrance into this Agreement is to provide broad and prominent exposure for the NIKE brand and particular Product models and styles. Accordingly, UNIVERSITY shall require the use, in practices and games, by such Teams as NIKE may request, such specific models and/or styles of NIKE Products as NIKE may designate from time-to-time and UNIVERSITY further acknowledges that this undertaking is a material term, and of the essence, of this Agreement.

#### 8. PROMOTIONAL APPEARANCES.

In connection with the promotion of NIKE Products and/or the NIKE brand, each Contract Year, upon reasonable prior notice and subject to any coaching commitment, if so requested by NIKE, UNIVERSITY shall make the Coach of each Intercollegiate Athletic Program available for a minimum of one (1) personal appearance on behalf of NIKE, except that the men's and women's basketball coaches shall be available for a minimum of four (4) personal appearances and the men's football coach shall be available for a

minimum of two (2) personal appearances. No single appearance shall exceed twenty-four (24) hours in duration, including travel time, unless otherwise agreed upon in advance. Such appearances may include, but are not limited to, photo shoots for posters, brochures or in-store displays, production sessions related to filming commercials and/or video productions and/or advertising, retail store appearances, trade shows, speaking engagements, appearances at sports clinics, community or celebrity events and other public appearances. UNIVERSITY shall receive no additional compensation for such appearances. NIKE shall pay all reasonable and necessary travel and related expenses of each Coach in connection with any appearance hereunder.

#### 9. NIKE SPONSOR BENEFITS.

Each Contract Year, UNIVERSITY shall provide NIKE with the following promotional benefits at no additional cost to NIKE except as otherwise indicated:

- (a) NIKE shall receive tickets to home games (and neutral site games as indicated below) for each Intercollegiate Athletic Program in accordance with the following:

| PROGRAM            | NO. TICKETS                        |
|--------------------|------------------------------------|
| Football           | 8 tickets and<br>4 sideline passes |
| Bowl games         | 12                                 |
| Basketball (M & W) | 8                                  |
| Basketball         | Big 10 10                          |
| Tournaments        | NCAA (Round 1, 2) 4                |
| (M & W)            | (Regionals, Final 4) 10            |
| All Other Programs | 4                                  |

Each Contract Year, NIKE shall receive: (i) thirty (30) tickets (in lieu of the above indicated 8 tickets) to one mutually agreed upon men's basketball game, and (ii) thirty (30) tickets (in lieu of the above indicated 8 tickets) to one mutually agreed upon women's basketball game (collectively, "NIKE Game-day"). All tickets provided under this subparagraph shall be for adjacent seats; UNIVERSITY shall make best efforts to ensure that all football tickets are at field level and at or near center field, all basketball tickets are at court level and at or near center court; and tickets for all other programs are in prime locations. UNIVERSITY shall use best efforts to fulfill NIKE's requests for such additional quantities of tickets as it may reasonably request, such tickets to be best available and purchased by NIKE at UNIVERSITY's cost.

- (b) At each home game of each Intercollegiate Athletic Program, subject to subparagraph 14(b) below, NIKE shall receive: a mutually determined number of camera-visible, signs which prominently displays the NIKE logo and/or other NIKE trademark or message as NIKE may designate from time-to-time, such signs to be supplied by NIKE. UNIVERSITY shall make best efforts to afford NIKE the chance to participate in any venue-retail and signage opportunities made available during the Term.
- (c) At each home game of each Intercollegiate Athletic Program at which a public address system and/or electronic message board (or other electronic messaging systems) is used, as applicable, a mutually determined number of in-game P.A. announcements and/or board messages recognizing NIKE as the exclusive Products supplier and sponsor of the UNIVERSITY's Intercollegiate Athletic Programs.



- (d) Full-page NIKE advertisements (camera-ready ad to be produced and provided by NIKE at its cost) in every football game program and NIKE name and/or logo recognition in every other game program published.
- (e) Prominent NIKE name and/or logo recognition in the media guides, schedule cards (as available), posters (as available), newsletters and other sports-news materials published and/or controlled by UNIVERSITY's media relations office.
- (f) The opportunity to stage promotional events and/or contests around designated home games/competitions, which events or contests may occur pre-game, during half-time or post-game, subject to the parties' mutual agreement.
- (g) Reasonable access to Intercollegiate Athletic Program activities, where appropriate and subject to UNIVERSITY's third-party media agreements, for the purpose of shooting Game Photos or Game Footage and/or conducting and taping post-game interviews.
- (h) In addition to the above, UNIVERSITY shall afford NIKE advance notice and the opportunity to consider participation in any and all additional promotional opportunities, in any media, made available by UNIVERSITY during the Term, at the cost made available to other corporate sponsors.

#### 10. CASH COMPENSATION.

Each Contract Year, NIKE shall pay to UNIVERSITY, (subject to Paragraphs 11 and 19 below) Base Compensation in the amount set opposite the below-indicated Contract Year. All annual amounts payable to UNIVERSITY under this Paragraph 10 shall be paid in two (2) equal semi-annual installments to be made on July 1 and January 1 of each Contract Year.

|                                |           |
|--------------------------------|-----------|
| 1st Contract Year (2006-2007)  | \$250,000 |
| 2nd Contract Year (2007-2008)  | \$250,000 |
| 3rd Contract Year (2008-2009)  | \$250,000 |
| 4th Contract Year (2009-2010)  | \$300,000 |
| 5th Contract Year (2010-2011)* | \$300,000 |
| 6th Contract Year (2011-2012)* | \$300,000 |
| 7th Contract Year (2012-2013)* | \$300,000 |
| 8th Contract Year (2013-2014)* | \$300,000 |

\* In the event NIKE exercises its Option pursuant to Paragraph 2 above.

#### 11. RIGHT OF REDUCTION, SET-OFF.

- (a) UNIVERSITY acknowledges that one of the principal inducements for NIKE's entrance into this sponsorship Agreement is the prominent brand exposure NIKE receives through the placement of the NIKE logo, as it currently appears (in terms of location placement, number of placements, color prominence or size), on Products and that such continued exposure is of the essence of this sponsorship Agreement. Accordingly, if in any Contract Year a Flagship Program is banned from television appearances or if, for any reason, NIKE's logo placement rights on Products as currently placed by NIKE and permitted under NCAA, Big Ten Conference, bowl organizers, bowl sponsor or broadcaster rules or regulations (or other third-party having jurisdiction of such matters)

are materially diminished (in terms of location, placement, size, color prominence [i.e., prohibition of the use of a NIKE logo in a color that contrasts with a uniform's background color] and/or number of placements) with respect to a Flagship Program, in lieu of NIKE's exercise of its termination right under Paragraph 18 below, then for such Contract Year NIKE shall have the right to reduce UNIVERSITY's scheduled Cash Compensation under this Agreement by the applicable percentage in the table set forth below. For purposes of this provision and Paragraph 5(e) above, (i) the relocation of the logo off the front upper chest (left or right) or front center neck position of the football game jersey (or off the front leg of the basketball game shorts or football pant leg); or (ii) a reduction in logo size that is readily discernible upon casual observation as opposed to one that is only discernible through actual measurement, shall be deemed "material" diminution.

| <u>PROGRAM</u>     | <u>% REDUCTION</u> |
|--------------------|--------------------|
| Football           | 25%                |
| Basketball (men's) | 50%                |

If NIKE logo placement rights are materially diminished in a manner other than as enumerated above, NIKE and UNIVERSITY shall in good faith negotiate an equitable reduction in scheduled Cash Compensation to be paid UNIVERSITY prospectively taking into account the nature and extent of the diminution of rights.

(b) UNIVERSITY further acknowledges that (i) one of the principal inducements for NIKE's entrance into this Agreement is the exposure that the NIKE brand receives through the prominent visibility of the NIKE Swoosh Design logo (or other NIKE logo) that appears on Products, (ii) such continued brand exposure is of the essence of this Agreement, and (iii) the "polishing-out", "spatting", removing or taping (or failure to wear or use Products) so as to prevent the exposure of any portion of any NIKE logo is inconsistent with the purpose of this Agreement and the expected benefits to be derived from it by NIKE (other than as specifically permitted under subparagraph 4(a) and/or Paragraph 5 above). Should any Coach, Staff or Team member (contrary to the provisions of Paragraph 6 above) fail to wear or use NIKE Products during practices, games, exhibitions, clinics, sports camps, games or other Team activities (including but not limited to on-field/on-court or locker room photo sessions and interviews) or wear NIKE Products altered, spatting or taped, then, in lieu of NIKE's exercise of its termination right under Paragraph 18 below, NIKE in its exercise of discretion shall have the right to reduce UNIVERSITY's annual scheduled Base Compensation (for the Contract Year in which such occurrence took place) as follows:

- (1) \$25,000 per occurrence, if the occurrence is mentioned as or in any way characterized as a protest or disapproval of the quality of NIKE Product(s), in any prominent media (e.g., television, Internet, local newspaper) and takes place in any Flagship Program;
- (2) \$5,000 per occurrence, if the occurrence is mentioned (but not mentioned as a protest or disapproval of the quality of NIKE Product(s)) in any prominent media and takes place in any Flagship Program;
- (3) \$2,000 per occurrence, if the occurrence is not mentioned in any media and takes place in the men's basketball or football Programs; provided that NIKE had given UNIVERSITY written notice of a prior occurrence within such Program; and

- (4) \$1,000 per occurrence, if the occurrence is not mentioned in any media and takes place in any other Flagship Program; provided that NIKE had given UNIVERSITY written notice of a prior occurrence within such Program.

Any reductions under this subparagraph 11(b) shall not exceed \$30,000 per game (or other activity) and \$150,000 in any one Contract Year.

## 12. INTERNET RIGHTS.

Each Contract Year, subject to UNIVERSITY's approval which shall not be unreasonably withheld, UNIVERSITY shall, and without limiting any other rights granted hereunder, provide NIKE with the following benefits in connection with the Internet:

- (a) Such rights or benefits with regard to the Athletics Web Site as are consistent with those that UNIVERSITY has granted to other commercial, UNIVERSITY sponsors or licensees, and UNIVERSITY represents and warrants that with regard to the Athletics Web Site, it shall not treat NIKE less favorably than any other commercial sponsor or commercial entity to which UNIVERSITY has granted any rights with respect to the Athletics Web Site.
- (b) In addition to the foregoing, if requested, NIKE will receive the opportunity to create a link from the Athletics Web Site to a NIKE Web Site. The appearance, location and size of the acknowledgement and the link shall be subject to final determination by UNIVERSITY. The parties agree that any such link will feature at least two "clicks" between the Athletics Web Site and any NIKE webpage that enables the purchase of NIKE merchandise.

## 13. ADVERTISING & PRODUCT APPROVALS.

- (a) In the event NIKE desires to use the UNIVERSITY Marks in any consumer advertising or promotion, NIKE shall first submit a sample or the concept of the proposed advertisement or promotion to UNIVERSITY for approval, which approval shall not be unreasonably withheld. UNIVERSITY shall use its best efforts to advise NIKE of its approval or disapproval of the sample or concept within five (5) calendar days of its receipt thereof. UNIVERSITY's approval, or disapproval, shall be in writing. (If a submission is disapproved, UNIVERSITY's written notice thereof shall set forth in reasonable detail the basis for such disapproval.) Any submitted item that has not been disapproved within ten (10) calendar days of receipt by UNIVERSITY shall be deemed approved. Once a submitted sample or concept is approved, NIKE shall not depart therefrom in any material respect without re-submission of the item and obtaining UNIVERSITY's further approval.
- (b) In the event UNIVERSITY desires to use the NIKE Marks in any advertising or promotion, UNIVERSITY shall first submit a sample or the concept of the proposed advertisement or promotion to NIKE for approval, which approval shall not be unreasonably withheld. NIKE will make best efforts to advise UNIVERSITY of its approval or disapproval within five (5) calendar days of its receipt thereof.

## 14. TRADEMARK OWNERSHIP.

- (a) NIKE recognizes the value of the UNIVERSITY Marks and acknowledges that the goodwill attached thereto belongs to UNIVERSITY and that nothing in this Agreement serves to assign, convey or transfer to NIKE any rights, title or interest in or to the UNIVERSITY Marks.

- (b) UNIVERSITY recognizes the value of the NIKE Marks and acknowledges that the goodwill attached thereto belongs to NIKE and that nothing in this Agreement serves to assign, convey or transfer to UNIVERSITY any rights, title or interest in or to the NIKE Marks.

#### 15. RIGHTS OF FIRST DEALING AND FIRST REFUSAL.

- (a) At NIKE's request, UNIVERSITY shall negotiate with NIKE in good faith with respect to the terms of a renewal of this Agreement. The parties shall not be obligated to enter into an agreement if they cannot settle on mutually satisfactory terms. UNIVERSITY shall not (nor shall UNIVERSITY permit its agents, attorneys or representatives to) engage in discussions or negotiations with any third party regarding product supply, sponsorship or promotion with respect to any Intercollegiate Athletic Program after the Term ("Product Supply/Endorsement") until October 1, 2009 or, in the event NIKE exercises the Option, until October 1, 2013 (the "Exclusive Negotiating End Date").
- (b) During the Term (including any Option period) and for a period of one hundred eighty (180) days thereafter, NIKE shall have the right of first refusal for Product Supply/Endorsement, as follows. If UNIVERSITY receives any bona fide third-party offer at any time on or after the Exclusive Negotiating End Date with respect to any Product Supply/Endorsement, UNIVERSITY shall submit to NIKE in writing the specific terms of such bona fide third-party offer in the form of a true copy which shall be on the offeror's letterhead or other identifiable stationery or imprint readily authenticatable by NIKE as having originated with such third-party offeror. NIKE shall have fifteen (15) business days from the date of its receipt of the true copy of the third-party offer to notify UNIVERSITY in writing if it will enter into a new contract with UNIVERSITY on terms no less favorable to UNIVERSITY than the material, measurable and matchable terms of such third-party offer. If NIKE so notifies UNIVERSITY within such 15-day period, UNIVERSITY shall enter into a contract with NIKE on the terms of NIKE's offer. If NIKE fails or declines to match or better the material, measurable and matchable terms of such third-party offer within such 15-day period, UNIVERSITY may thereafter consummate an agreement with such third party on the terms of the offer made to UNIVERSITY. Prior to the Exclusive Negotiating End Date, UNIVERSITY shall not solicit, consider or present to NIKE, and NIKE shall not be obligated to respond to, any third-party offer for any Product Supply/Endorsement.

#### 16. RIGHTS FOR NEW PRODUCTS.

From time-to-time during the term of this Agreement, NIKE may add to its Products line one or more items of sports equipment. If at any time during the Term NIKE shall have a bona fide intention to expand its Products line by adding any such item(s), then NIKE shall give UNIVERSITY six (6) months' advance written notice of the particular item(s) then in development by NIKE. UNIVERSITY agrees that if it has not already entered into or substantially negotiated a product supply or endorsement agreement with respect to such item(s) on behalf of any Flagship Program(s), it will not do so during the six-month period following the date on which UNIVERSITY receives such written notice from NIKE. If during such six-month period NIKE shall notify UNIVERSITY that it has added one or more such items to its Products line, then such item(s) shall thereafter be deemed to be included in "Products" as defined in Paragraph 1(m) above and "NIKE Products" as defined in Paragraph 1(n) above and covered in all pertinent respects by the terms hereof. Thereafter, UNIVERSITY shall make such new Product item(s) available to the applicable Flagship Program(s), NIKE shall supply UNIVERSITY, free of charge, with sufficient

quantities (additional to those currently provided pursuant to Paragraph 5, above) for such purpose to be mutually agreed upon by the parties, including quantities equal to or greater than the quantities of any comparable item(s) which the applicable Flagship Program(s) are then receiving from a third party, and UNIVERSITY shall thereupon distribute, as is appropriate, such new item(s) to the applicable Flagship Program(s).

#### 17. RIGHT OF TERMINATION BY UNIVERSITY.

Without prejudice to any other right UNIVERSITY may have hereunder or otherwise, UNIVERSITY shall have the right to terminate this Agreement immediately upon written notice to NIKE if:

- (a) NIKE is adjudicated insolvent or declares bankruptcy;
- (b) NIKE fails to make payment to UNIVERSITY of any sum due pursuant to this Agreement within thirty (30) days following NIKE's receipt of written notice from UNIVERSITY that such payment is past due; or
- (c) NIKE shall be in material breach of this Agreement, which breach NIKE fails to cure within thirty (30) days of NIKE's receipt of written notice from UNIVERSITY specifying such breach.

#### 18. RIGHT OF TERMINATION BY NIKE.

Without prejudice to any other right NIKE may have hereunder or otherwise, NIKE shall have the right to terminate this Agreement immediately upon written notice to UNIVERSITY if:

- (a) Any Flagship Program is placed on NCAA probation or UNIVERSITY ceases for any reason to field any such Team;
- (b) Members of any Team fail to wear or use NIKE Products or wear NIKE Products altered, spatted or taped, in violation of the provisions of Paragraph 6 above; provided, however, that NIKE shall have first provided written notice to UNIVERSITY of any such violation and such violation shall then recur twice, or recur once within the same program, during the same Contract Year;
- (c) Any Coach, Staff or Team member fails to perform any material obligations provided for in this Agreement;
- (d) UNIVERSITY, the NCAA, the Conference or any assignee thereof (including any licensing agent or broadcast partner of the foregoing) enacts, adopts or accedes to any regulation, restriction, prohibition or practice that materially deprives NIKE of the promotional benefits and/or product/brand exposure contemplated by this Agreement including, but not limited to, (i) any diminution of NIKE's logo placement rights (in terms of size, location placement, color prominence and/or number of placements) on Product, including any total ban on the placement of camera-visible logo identification on Product, (ii) "air brushing" NIKE identification from still photography or footage, or (iii) use of L-VIS technology or other "virtual signage" or electronic/computer imaging technology that alters, substitutes or replaces NIKE's stadium/arena signage (including NIKE logo identification that appears on uniforms) with other commercial identification that is seen by home television viewers;
- (e) Any UNIVERSITY Athletic Department staff member disparages the NIKE brand and/or NIKE Products or takes any other action inconsistent with the endorsement of NIKE Products; or

- (f) UNIVERSITY breaches any warranty or other material term of this Agreement, which breach UNIVERSITY fails to cure, if curable, within thirty (30) days of NIKE's delivery of written notice to UNIVERSITY of any such breach.

#### 19. NIKE POST-TERMINATION RIGHTS.

- (a) In the event of termination under Paragraph 17 or 18, UNIVERSITY shall not be entitled to any further compensation under this Agreement, except any unpaid Base Compensation earned prior to the effective date of termination, pro-rated over the entire Contract Year and calculated to the effective date of termination. Alternatively, NIKE shall have the right to receive from UNIVERSITY reimbursement for Base Compensation, if any, paid in excess of the amount to which UNIVERSITY would be entitled if the Base Compensation were pro-rated over the entire Contract Year, calculated to the effective date of termination. Any such payment shall be due within thirty (30) days of the date of termination.
- (b) Upon expiration or termination of this Agreement for any reason, NIKE shall have the right to:
  - (i) Run any non-cancelable media involving the UNIVERSITY Marks and exhaust all advertising and promotional materials which were produced prior to the effective date of expiration or termination for a period not exceeding six (6) months from the date of expiration or termination;
  - (ii) Use, in perpetuity, Game Photos or Game Footage for in-house exhibition for historical, educational or commemorative purposes.

#### 20. INDEMNIFICATIONS.

- (a) NIKE shall defend, indemnify and hold harmless UNIVERSITY, its directors, officers, employees and agents (collectively, "UNIVERSITY Parties") from and against all suits, actions, claims, judgments, damages, losses, liabilities, costs and expenses, including reasonable attorney fees, ("Claims") incurred by any UNIVERSITY Parties arising out of or relating to: (i) NIKE's breach of any material term of this Agreement; or (ii) the acts or omissions of NIKE, or those of its employees and/or agents; provided NIKE is given prompt written notice of and shall have the option to undertake and conduct the defense of any such Claim. In any instance to which the foregoing indemnities pertain, UNIVERSITY Parties shall cooperate fully with and assist NIKE in all respects in connection with any such defense, and no UNIVERSITY Party shall enter into a settlement of such Claim or admit liability or fault on the part of NIKE without NIKE's prior written approval.
- (b) UNIVERSITY shall defend, indemnify and hold harmless NIKE, its directors, officers, employees, agents and assigns ("NIKE Parties"), from and against all Claims incurred by NIKE Parties arising out of or relating to: (i) a Claim that NIKE's use of the UNIVERSITY Endorsement or any UNIVERSITY Mark violates or infringes upon the trademark, copyright or other right of any third party; (ii) a Claim that NIKE's use of any Coach Property violates the rights of publicity, right of privacy or any other right of any Coach; (iii) acts or omissions of any UNIVERSITY Party; (iv) UNIVERSITY's breach of any warranty in or other term of this Agreement, provided UNIVERSITY is given prompt written notice of such Claim. In any instance to which the foregoing indemnities pertain, NIKE shall cooperate fully with and assist UNIVERSITY in all respects in connection with any such defense, and NIKE shall not enter into a settlement of such Claim or admit liability or fault on the part of UNIVERSITY without UNIVERSITY's prior written approval.

## 21. REMEDIES.

UNIVERSITY and NIKE agree that, in the event that either party breaches any material term or condition of this Agreement, in addition to any and all other remedies available to the other party at law or in equity, such other party shall be entitled to injunctive relief from such further violation of this Agreement, pending litigation as well as on final determination of such litigation, without prejudice to any other right of such other party.

## 22. NOTICES.

All notices, statements and payments provided for herein shall be in writing and deemed given if sent postage prepaid via registered or certified mail, or by express courier service or facsimile with confirmed delivery, to the parties at the addresses given below, or such other addresses as either party may designate to the other. Any written notice shall be deemed to have been given at the time it is sent addressed to the parties as set forth below. It is UNIVERSITY's obligation to notify NIKE of any address change.

|  |  |
|--|--|
| NIKE USA, Inc.<br>One Bowerman Drive<br>Beaverton, OR 97005-6453<br>Attn: Legal Dept., Contracts Administrator<br>(If by facsimile, to 503.646.6926) | Purdue University<br>IAF Building, Room 228<br>West Lafayette, IN 47907<br>Attn: Sr Assoc Athletic Director/Business |
|--|--|

## 23. RELATIONSHIP OF PARTIES.

The performance of services for NIKE by UNIVERSITY is in the capacity of independent contractors. Accordingly, nothing contained in this Agreement shall be construed as establishing an employer/employee, partnership, agency or joint venture relationship between UNIVERSITY and NIKE.

## 24. ASSIGNMENT/DELEGATION/PASS THROUGH.

- (a) This Agreement and the rights and obligations of UNIVERSITY hereunder are personal to UNIVERSITY and shall not be assigned or delegated by UNIVERSITY. Any assignment by UNIVERSITY shall be invalid and of no force or effect and upon any such unauthorized assignment, NIKE may, at its option, immediately terminate this Agreement upon written notice to UNIVERSITY.
- (a) The rights granted to NIKE by UNIVERSITY hereunder are personal to NIKE and shall not be assigned, delegated or passed-through outside of NIKE and its retail accounts without UNIVERSITY's prior approval, which approval shall not be unreasonably withheld.

## 25. WAIVER.

The failure at any time of UNIVERSITY or NIKE to demand strict performance by the other of any of the terms, covenants or conditions set forth herein shall not be construed as a continuing waiver or relinquishment thereof, and either party may, at any time, demand strict and complete performance by the other party of such terms, covenants and conditions.

## 26. SEVERABILITY.

Every provision of this Agreement is severable. If any term or provision hereof is held to be illegal, invalid or unenforceable for any reason whatsoever, such illegality, invalidity or unenforceability shall not affect the validity of the remainder of this Agreement or any other provision and the illegal, invalid or unenforceable provision shall be deemed by the parties

as replaced by such substitute provision as shall be drafted by NIKE and agreed upon by the parties, in such form and substance as shall be legally valid, and as shall accomplish as near as possible the purpose and intent of the invalidated provision.

## 27. ADDITIONAL WARRANTIES.

UNIVERSITY represents and warrants that:

- (a) No agreement, contract, understanding or rule of any national, international or collegiate governing body exists (at the time of execution) which would prevent or limit performance of any of the obligations of either party hereunder.
- (b) Neither UNIVERSITY nor any Coach nor Staff member is party to any oral or written agreement, contract or understanding which would prevent, limit or hinder the performance of any obligations hereunder of UNIVERSITY, Coaches or Staff. UNIVERSITY further represents and warrants that during the Term UNIVERSITY will not, without NIKE's prior written approval:
  - (1) Sponsor, endorse or allow any Coach or Staff member to sponsor, endorse or wear and/or use Products licensed, manufactured, branded or sold by any person or entity other than NIKE, in connection with any Flagship Program;
  - (2) Sponsor, endorse or allow any Coach or Staff member to sponsor, endorse or wear and/or use Footwear Products or Base Layer Apparel licensed, manufactured, branded or sold by any person or entity other than NIKE, in connection with any Intercollegiate Athletic Program;
  - (3) Enter into, or allow any Coach or Staff member of any Flagship Program to enter into, any endorsement, promotional, consulting or similar agreement (including the sale of signage or other media or field-naming rights) with any other brand, licensor, manufacturer and/or seller of Products other than NIKE;
  - (4) Enter into, or allow any Coach or Staff member of any Intercollegiate Athletic Program to enter into, any endorsement, promotional, consulting or similar agreement (including the sale of signage or other media or field-naming rights) with any brand, licensor, manufacturer and/or seller of Footwear Products or Base Layer Apparel other than NIKE;
  - (5) Sell to any person or entity Products purchased or provided hereunder by NIKE or any other third party;
  - (6) Permit the trade name, trademark, name, logo or any other identification of any brand, licensor, manufacturer and/or seller of Products other than NIKE to appear on signage at practices, games, exhibitions, clinics, sports camps and other official or UNIVERSITY sanctioned Flagship Program activities (including but not limited to photo sessions and interviews);
  - (7) Permit the trade name, trademark, name, logo or any other identification of any brand, licensor, manufacturer and/or seller of Footwear Products or Base Layer Apparel other than NIKE to appear on signage at practices, games, exhibitions, clinics, sports camps and other official or UNIVERSITY sanctioned Intercollegiate Athletic Program activities (including but not limited to photo sessions and interviews); or
  - (8) Take any action inconsistent with the endorsement of NIKE Products, or allow any Coach or Staff member to take any such action.



- (c) It has the full legal right and authority to enter into and fully perform this Agreement in accordance with its terms and to grant to NIKE all the rights granted herein.

28. CONFIDENTIALITY.

UNIVERSITY shall not (nor shall it permit or cause its employees, agents or representatives to) disclose the financial and other material terms of this Agreement, the marketing plans of NIKE and other material, or other confidential material or information disclosed to UNIVERSITY pursuant to Paragraph 7 above (including information disclosed during audit), to any third party, except as may be required by law and after prior written notice to NIKE. This Paragraph shall survive the termination or expiration of this Agreement.

29. CAPTIONS.

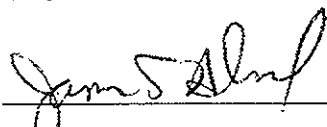
Paragraph captions and other headings contained in this Agreement are for reference purposes only and are in no way intended to describe, interpret, define or limit the scope, extent or intent of the Agreement or any provision hereof.

30. ENTIRE CONTRACT.

As of the effective date hereof, this Agreement shall constitute the entire understanding between UNIVERSITY and NIKE and may not be altered or modified except by a written agreement, signed by both parties. Any previous agreements between the Parties (including between NIKE and any Coach) shall have no further force of effect.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date written below.


PURDUE UNIVERSITY

By:   
 Its: James S. Almond  
 Vice President for Business Services

NIKE USA, Inc.

By:   
 Its: Tommy Kain  
 Director, US Sports Marketing

Fed. Id. No. 35-6002041W

By:   
 Its: Peter H. Koehler, Jr.  
 Regional Counsel, U.S.A.

Dated: 11.5.07